

Pacific Bell
Management Telecommuting and Virtual Office Policy
(for and to Managers of Pacific Bell)

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INTRODUCTION

Since the management telecommuting policy was initially issued in November 1989, the complexity and amount of telecommuting within Pacific Bell have changed dramatically. These changes correspond to the increased usage and variation in telecommuting implemented throughout public sectors and private industries. Increasingly, employers are finding that allowing employees to work at home, at alternate work locations, or a variety of locations can in fact result in increased productivity and job satisfaction, and are aligned with business strategies. Telecommuting is one of the most important options in providing a flexible work environment for employees as well as an important tool to ensure continuation of business activities despite natural disasters such as earthquakes or major transportation modifications. Additionally, telecommuting acknowledges that performance and completion of job activities can be done successfully from locations other than the primary company locations, and in some instances, may be more effective if done on customer premises or within customer proximity.

This flexible work option is known by a variety of terms such as "telecommuting," "flexiplace," "telework," "location-independent work," or "work-at-home." In some instances, the person performs work from a variety of sites, where a single primary office ceases to exist, and from what may more accurately be called a "virtual office." For the purposes of its *Management Telecommuting and Virtual Office Policy*, Pacific Bell defines *telecommuting* and the *virtual office* as follows:

|| *Telecommuting is the partial or total substitution of telecommunications technology for the trip to and from work. Simply put, it is moving the work to the workers, instead of the workers to the work.* ||

|| *Virtual office is the substitution of telecommunications technology to enable working from anywhere.* ||

I. PACIFIC BELL'S POSITION ON TELECOMMUTING

From a **strategic marketing perspective**, supporting and encouraging telecommuting in the business world is consistent with Pacific Bell's movement into the information age and the creation of the information superhighway. Many of Pacific Bell's products and services are valuable telecommuting tools, such as home office telephone lines, phone lines for facsimile equipment, enhanced telecommunications features, data transmission and basic usage.

From a **human resources perspective**, Pacific Bell views telecommuting as a management tool that can contribute to a more effective working environment, and a way to retain, recruit, reward and develop managers.

Even as telecommuting provides new solutions to employee problems such as commuting issues, it also can present **tangible advantages** to Pacific Bell. These advantages may include productivity increases, increased customer satisfaction, expanded recruitment pool, floor space reduction, and relocation expense savings. In addition, by allowing employees more individual flexibility over their work hours and workplace, organizations can gain increased flexibility and responsiveness—recognized as key to success in today's competitive marketplace.

The following pages of this document provide principles and suggested guidelines to help assist work groups in determining if telecommuting is feasible; and where it is so, for successfully implementing telecommuting.

The following principles and guidelines are evolving and subject to change by the company at any time.

II. MANAGEMENT TELECOMMUTING PRINCIPLES AND GROUND RULES

Telecommuting Principles

(Assumptions which govern telecommuting and the virtual office at Pacific Bell)

- The company expects that if a management job can be telecommuted, the employee will telecommute. Telecommuting is a management tool that allows flexibility in managing employees.
- Telecommuting is a cooperative management arrangement between supervisor and employee, not an entitlement, and is based on:
 - The needs of the job, work group and company.
 - The employee's past and present levels of performance.
- Jobs suitable for telecommuting are characterized by clearly defined tasks and deliverables. A telecommuter's performance is measured by results, not work location. (See *Selection Considerations*.)
- The company's intention is to increase productivity, increase accessibility to customers, encourage real estate cost savings, and support a cleaner environment through:
 - More telecommuting, and specifically more high-frequency telecommuting.
 - Reduction of office space.
- Management employees who have been telecommuting or who begin telecommuting in their current positions should not be penalized financially for telecommuting.
- In telecommutable jobs, the company has a preference that the employee telecommute as much as possible, and eliminate dedicated office space.
- Each telecommuting arrangement will be cost-justified, subject to cost-benefit tracking and reviewed for continued mutual benefit at regular intervals.
- Each telecommuting arrangement is jointly agreed upon between supervisor and employee; telecommuting is voluntary and may be terminated, at will, at any time, by either the company or the employee.

II. MANAGEMENT TELECOMMUTING PRINCIPLES AND GROUND RULES

- Some management jobs are especially well-suited to working out of a virtual office. These jobs include, but are not limited to, sales jobs or others in which direct client or customer contact is important. Managers in those jobs are expected to spend most of their time out with customers or clients, and so their organizations may choose to implement virtual offices and eliminate or reduce their use of company office space. When these managers are not with their customers or clients, they may choose to utilize borrowed or shared space at a company location or telecommute from home. These managers and their supervisors should agree on the general parameters on how work will be accomplished, taking into account individual situations.
- Company-provided equipment at home is not an entitlement of telecommuting; depending on the job, equipment needs for telecommuters will vary from as little as phone, paper and pencil to as much as computer, modem, printer, data line and fax capability.
- Duplication of equipment is discouraged. Whenever possible, telecommuters should move their office computer equipment to their home, or trade in their personal computer for a laptop.

II. MANAGEMENT TELECOMMUTING PRINCIPLES AND GROUND RULES

Telecommuting Ground Rules (Basic Terms of Telecommuting at Pacific Bell)

- The telecommuting work option is presently available to management employees only.
- Telecommuters' salaries, job responsibilities, benefits and Pacific Bell-sponsored insurance coverage do not change as a result of telecommuting. If an employee is identified as a full-time telecommuter at home or at an alternate location, or considered to be a mobile worker, telecommuting may have an impact on an employee's zone differential. See the Telecommuting and Virtual Office Decision Tree Matrix listed on page 34 for changes in the zone differential and mileage reimbursement. Proper approval of mileage expenses in connection with management telecommuting should be followed. Refer to S.I. 22, Bills and Vouchers, for additional information.
- Telecommuters will have regularly scheduled work hours agreed upon with their supervisors. Telecommuters will use Environment Code (EC) 6 to report the time that is telecommuted.
- Telecommuters will be as accessible as their on-site counterparts during their agreed upon regular business hours, regardless of work location. In order to increase accessibility, telecommuters should have a business line at home or a pager. Telecommuters and their supervisors should agree upon how telecommuters can ensure they are accessible to their clients, customers, and co-workers, and the response time for returning phone calls. For example, they should use voice mail greetings that reflect their daily work schedules or use pagers as appropriate.
- Telecommuters who work at home will have a designated work space agreed to by the company and maintained by the employee, and subject to supervisor visits to the designated work area, upon request by the supervisor or employee, and with the permission of the employee, to ensure that safe work conditions exist. The telecommuter will be generally responsible for absorbing any costs related to remodeling and initial set-up (e.g., furniture) of the designated work space. Telecommuters will be responsible for the ergonomics of their home offices.

II. MANAGEMENT TELECOMMUTING PRINCIPLES AND GROUND RULES

- Telecommuters will take all precautions necessary to secure proprietary information in their home and from wherever they work and prevent unauthorized access to any company system.
- Telecommuters may, at the company's discretion, be provided with telecommuting equipment (e.g., computer, modem, printer, telephone access line) as agreed upon between the supervisor or department and employee, and based on business need. Such equipment will remain the property of Pacific Bell.
- Telecommuters' tax implications related to the home work space are the responsibility of the employee. Telecommuters are advised to discuss any such issues with their tax advisor.
- Telecommuters who work at home will manage dependent care and personal responsibilities in a way that allows them to successfully meet job responsibilities.
- Telecommuters and their supervisors will jointly sign a Telecommuting Agreement that can be terminated at any time by either the company or the employee. (Sample Telecommuting Agreement form provided in the Appendix.) Telecommuters and supervisors should identify specific goals, completion dates, and measurements for success by using the Performance Management Plan (PMP) for work performed by the telecommuter. A completed and updated PMP plan should be on file before the telecommuting arrangement begins. The supervisor and the telecommuter should review the Telecommuting Agreement and the PMP plan regularly and update them as necessary. Both the supervisor and the telecommuter have the responsibility to ensure that the identified tasks are completed at minimum in the same quality manner and with the same timeliness commensurate to the work done in the office.
- The misuse of company time and/or company-provided equipment will be grounds for terminating the telecommuting arrangement.

III. TELECOMMUTING GUIDELINES/CONSIDERATIONS

Selection Considerations

Each telecommuting arrangement should be jointly agreed upon between supervisor and employee. There are three selection criteria that should be considered while assessing the feasibility of telecommuting in a particular work group:

- The characteristics associated with the job.
- The characteristics associated with the individual telecommuter.
- The characteristics associated with the managing supervisor.

III. TELECOMMUTING GUIDELINES/CONSIDERATIONS

Selection Considerations (continued)

Job Characteristics

Which jobs are most suited for telecommuters? According to Gil Gordon, national telecommuting consultant, "Jobs with a higher degree of predictability, jobs that allow measurement of beginning and end points, and jobs in which the need for interaction with people is predictable are suitable. At the heart of many failed telecommuting attempts are attempts to integrate jobs that don't fit," he notes.

Generically, jobs well suited for telecommuting have the following characteristics:

- Low face-to-face communication requirements (communication can be easily handled over the telephone, voice mail, electronic mail or facsimile).
- Individual already works alone handling information, such as writing, reading, telephoning, planning, computer programming, word processing and data entry.
- Clearly defined tasks and deliverables.
- Measurable work activities.
- Objectives with identifiable timeframes and check points.
- Content versus process-oriented.
- Tasks requiring concentration and/or large blocks of time when the employee works independently of others.
- Can be performed without close supervision.
- Minimal requirements for special equipment.

III. TELECOMMUTING GUIDELINES/CONSIDERATIONS

Selection Considerations (continued)

Listed below are some of the many jobs suitable for telecommuting. This is not a complete list, but instead should be used to help both the potential telecommuter and his/her supervisor decide whether a telecommuting arrangement could be successful. Other job fields can be added as appropriate.

- Accounting
- Analysis
- Data entry
- Computer programming
- Project management
- Record keeping
- Course development
- Planning
- Systems engineering
- Writing
- Administrative work advertising
- Auditing reports
- Data processing
- Legal work
- Reading
- Research
- Market analysis
- Sales
- Telemarketing
- Word processing

III. TELECOMMUTING GUIDELINES/CONSIDERATIONS

Selection Considerations (continued)

Telecommuter Characteristics

Telecommuting can pose a problem of reduced management supervision over employees as work is distributed to various semi-autonomous workstations. Perhaps the best way to solve this problem is for managers to select their telecommuters by carefully gauging the compatibility of telecommuting with specific skills. The best telecommuters are strong performers with a high knowledge of the job, and who are self-disciplined, highly motivated, and comfortable being alone. Those who need constant direction, are inclined to overwork, or who do not like isolation make poor telecommuters. Telecommuting is generally not for the employee who is marginal or just learning his/her job.

It is recommended that telecommuting managers have the following set of characteristics regardless of their reasons for wanting to telecommute. These traits include:

- Proven ability to perform and high job knowledge.
- Self-motivation, self-discipline, self-direction.
- A desire to make telecommuting work.
- Above average managerial skills (e.g., good planning and organization skills, efficient in managing time, high level of communication skills, ability to establish and meet clear standards and objectives, etc.).
- Won't miss main office interaction too much; data suggests that a person who likes to be alone would work at home successfully with relatively few adjustments.

III. TELECOMMUTING GUIDELINES/CONSIDERATIONS

Selection Considerations (continued)

Managing Supervisor Characteristics

Just as critical to the success of a telecommuting arrangement is the role of the managing supervisor. As with a telecommuter, there are prevalent traits which help telecommuting work. They are:

- An open, positive attitude toward telecommuting.
- A mutual trust and respect in ongoing relations with the telecommuter.
- Above average organizational and planning skills.
- The ability to establish clear objectives and measurements (ability to evaluate results).
- Provides feedback regularly.
- Facilitates an open channel for communication.
- An innovative and flexible approach to managing subordinates.

III. TELECOMMUTING GUIDELINES/CONSIDERATIONS

Equipment Considerations

Telecommuting need not require computers or sophisticated telecommunications equipment, although such equipment may be deemed essential for some jobs, and may enhance the amount and effectiveness of telecommuting that can occur in other jobs. Depending on the job, equipment needs for telecommuters vary from as little as a phone, paper and pencil to as much as computer, modem, printer and fax capability.

Equipment and space considerations are essential elements of assessing the potential costs and benefits of telecommuting for work groups considering it. For example, since nearly all telecommuters work at home on a part-time basis, one attractive option growing in popularity is shared portable equipment (e.g., a district sharing a laptop portable computer).

Another important consideration is the notion of shared space: two or more telecommuters scheduling their office time so as to share a "generic" on-site office.

The need for telecommuting equipment is determined on a case-by-case basis by supervisor and employee. The company will not provide telecommuting equipment and/or access lines unless it is justified based on the needs of the business and the nature of the work assignment.

If it is determined that the employee should have company equipment in his/her residence, the employee should obtain advance approval from the immediate supervisor by completing the Official Company Services (OCS) Telecommuting Service Request for Approval form. An approval form should be completed in its entirety, and mailed or faxed to:

OCS SERVICE CENTER
666 FOLSOM STREET, ROOM 618
SAN FRANCISCO, CALIFORNIA
TELEPHONE: (800) 832-7800
FAX: (415) 243-9824

Upon service order issuance, OCS will call the employee with the installation due date.

III. TELECOMMUTING GUIDELINES/CONSIDERATIONS

Equipment Considerations (continued)

Once a request for company-provided telecommuting equipment/service is accepted and approved:

- It becomes the responsibility of OCS to install the necessary equipment, and repair and maintain the equipment, with the exception of micro-computer equipment.
- The employee's department will manage/track the equipment's use in meeting the department's specific business requirements and ensure appropriate ongoing business effectiveness.
- Documentation of telecommunications assets in employee's custody is placed in pocket file for appropriate inventory management (e.g., signed equipment approval letter/list, Telecommuting Agreement).

The following are additional guidelines for establishing network, data and/or equipment service in the home.

- Pacific Bell, at its sole discretion, may choose to provide equipment and related supplies for use by the employee while telecommuting, or may permit the use of employee-owned equipment subject to company rules and limitations.
- The decision as to type, nature, function and/or quality of electronic hardware, modems, systems access, data and phone lines shall rest entirely with Pacific Bell.
- The employee agrees that the use of equipment, software, data and supplies provided by the company for use at the employee's residence and/or remote location is limited to authorized persons and for purposes related to business for Pacific Bell.

III. TELECOMMUTING GUIDELINES/CONSIDERATIONS

Equipment Considerations (continued)

- In the event that Pacific Bell deems that the employee's job assignment no longer necessitates/requires in-home equipment services, or discovers abuse of company time or equipment, or the employee retires or is terminated, the employee is obligated to return all company-owned equipment, software, data, and supplies. The decision to remove or discontinue use of such equipment rests entirely with the company. Pacific Bell does not assume any liability for loss, damage or wear of employee-owned equipment.
- The employee agrees to designate an appropriate work space within his/her remote work location for placement and installation of any company-provided equipment (see *Home Environment* section).
- It is permissible for approved telecommuters to take a reasonable number of office supplies (pens, pencils, stationery, envelopes) home for telecommuting. The provisioning of furniture or other fixtures for telecommuters will be determined based on business needs by local management and Corporate Real Estate personnel.
- Pacific Bell will reimburse the telecommuter 100% of all business-related phone calls while telecommuting.
- The company may at any time change any or all of the conditions under which managers are permitted to telecommute and the company will not be liable for employees' costs, including but not limited to any investment in furniture or equipment for the designated work space.

III. TELECOMMUTING GUIDELINES/CONSIDERATIONS

Management Guidelines

Performance Management and Evaluation

A major concern for some managers may be the supervising and performance evaluation of off-site employees. When it comes to evaluating an off-site employee's work, two primary criteria should be:

1. Quality of work.
2. Completion of projects.

This involves managing by objectives and results rather than by monitoring. The suggested advice given by many consultants to ensure successful telecommuting: "Set up a plan for what is to be accomplished over 90 or 180 days, then judge all employees, whether they come to the office or telecommute, by whether those goals are met, not by the amount of time spent on the job."

The Pacific Bell Performance Management Plan (PMP) is an excellent resource for managing and evaluating the performance and development of both on-site and telecommuting employees. PMP requires that supervisors and performers jointly set clear performance objectives, including:

- Identifying the specific task and behavioral objectives to be accomplished during a Performance Cycle (usually one year).
- Establishing how to measure the objectives.
- Prioritizing work by identifying which results are most crucial and which ones can be deferred.
- Analyzing how objectives support work group goals.

III. TELECOMMUTING GUIDELINES/CONSIDERATIONS

Management Guidelines (continued)

PMP discussion with telecommuters should also include assessing the effectiveness of the telecommuting arrangement.

Based on feedback from supervisors and telecommuters, the following is recommended:

- Mutual trust and respect, maintained by ongoing and open communications, between employee and manager is key to a successful working relationship.
- Ensure that the telecommuter knows he/she is being treated equitably and his/her work is recognized.
- Define tasks as much as possible in terms of output. Having measurable results and, if possible, milestones built into the job makes remote managing much easier. Supervisors of telecommuters must manage by focusing on the employee's expected work product.
- Frequent communication between the supervisor and the telecommuter is important to ensure that tasks and performance expectations are clearly defined. Voice mail or electronic mail access for the telecommuter facilitates daily contact with the supervisor and other company personnel.
- Accessibility: Telecommuters should be easy to reach within a reasonable amount of time. (On the other hand, managers should accept that employees, whether telecommuting or on-site, may not always be readily accessible.) Telecommuters and their supervisors should agree upon how telecommuters can ensure they are accessible to their clients, customers, and co-workers, and the response time for returning phone calls.

III. TELECOMMUTING GUIDELINES/CONSIDERATIONS

Management Guidelines (continued)

A completed and updated PMP plan with specific goals, completion dates, and measures for success should be on file before the telecommuting arrangement begins. The supervisor and the telecommuter should review the Telecommuting Agreement and the PMP plan regularly.

Timekeeping/Reporting and Liability

All company-wide or local management policies regarding attendance and hours worked should also apply to telecommuting managers. Environment Code 6 should be time-coded when employees telecommute.

The telecommuter and his/her supervisor should agree upon a schedule of regular work hours. This is important for the purpose of defining the telecommuter's job tour period during which the company has liability for job-related accidents or illnesses and during which workers compensation laws apply. If a schedule is not agreed upon, the work hours are assumed to be 8:00 a.m. to 5:00 p.m., Monday through Friday. Any changes in work hours or work location should be reviewed and approved by the manager and/or department in advance.

See the Telecommuting and Virtual Office Decision Tree Matrix on page 34 for guidelines for mileage reimbursement appropriate to each kind of telecommuter. Proper approval of mileage expenses in connection with management telecommuting should be followed. Refer to S.I. 22, Bills and Vouchers, for additional information.

Overtime

It is expected that, as managers of Pacific Bell, employees may be required to work beyond the customary 40 hours per week to ensure successful completion of job responsibilities. This applies to telecommuters as well as on-site managers. Managers and telecommuters should refer to the Exempt Employee Extended Effort Policy implemented June 1, 1994 for relevant issues in this area.